



**Connecticut
State Building
Trades**

**Testimony of the Connecticut State Building Trades
On HB7319, AAC Connecticut Jobs for Connecticut Projects**

**Labor and Public Employees Committee
March 8, 2007**

The Connecticut State Building Trades unequivocally supports HB7319. The DECD annually gives millions in corporate welfare to businesses to retain or attract them to Connecticut. The intent is to create job opportunities for Connecticut residents. Hopefully the DECD is looking to create at least living wage jobs, with health care and pensions, for we feel that creating jobs with livable wages and benefits should be the **reason** for economic development, not a byproduct of a process that subsidizes some of the countries wealthiest, most profitable corporations in their quest for a fatter bottom line. I think that this point is sometimes missed. A number of these companies, RBS, and Swiss Bank to name a few, do the right thing and use local workers and pay area standard wages. Many do not. We feel that by applying CGS Chapter 557 Section III to these grants and low interest loans the investment will pay off from the start, the construction of the facility.

The Chapter 557 Section III of the CGS is the instrument by which the over 60,000 Connecticut citizens that work in construction sustain and grow the standard of living for themselves, their families, and their communities. It puts money in the pockets of **all** Connecticut construction workers, union and non union. It does that by discouraging predatory contractors from importing and exploiting low wage workers from other regions to benefit from Connecticut taxpayer dollars spent on public construction and remodeling. It does this by providing penalties for such antisocial behavior. CGS Chapter 557 Section III makes a critical contribution to the economy of our state and its municipalities. It allows taxpaying construction workers to work just one job, allows them to have the time to coach their children in Little League, allows them to afford health care, and at the end of their working career, to retire with dignity. Their wages represent mortgage and tuition payments, purchases at local

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supermarkets and hardware stores, and to donate their time and money to churches, schools, and charities and other good works. These wages help drive the state's economy and add to the state and local tax base, which ensures that future state and local construction projects will be continue to be built. At a time when many corporations that build in the state are importing workers at wages our local residents cannot afford to work for, the law helps to secure local construction jobs for the residents of our communities.

The current failure to apply the Chapter 557 Section III to DECD projects invites corporations to bring in low cost out of state contractors to build facilities subsidized by Connecticut taxes. These contractors travel from state to state with their own workforce, providing little or no benefit to the Connecticut residents whose taxes fund these grants and loans. We feel that this is shortsighted and bad policy. Business says that prevailing wage adds cost to a project. There is also a cost imposed on the residents of the state by not having the requirement. Lowe's Distribution Warehouse in the eastern part of the state is a good example. Much of that facility, subsidized by the DECD, was built by imported workers from other states and countries. In New Haven, a DECD subsidized housing project was stopped when the contractor was found to be employing a subcontractor from Texas with a workforce of undocumented workers. At the Winchester factory in New Haven, a DECD subsidized project, I personally witnessed an INS raid that sent all of a subcontractors employees running from the site, leaving 5 concrete trucks sitting with no one to unload them. Construction managed in this way lowers area wage standards, increases the number of uninsured workers the state's health care system must accommodate, increases safety violations, causes injuries and causes deaths.

Part of the section states "No person who receives an award or contract for public works projects from the state, or who receives an order or contract for which a portion of funds is derived from the state, shall knowingly employ nonresidents of the state while residents who may qualify for such work are reasonably available for employment. In the employment of nonresidents, the construction supervisor or construction inspector assigned to the public works project shall verify that the contracting employer, by reasonable

efforts, sought to obtain construction job applicants from existing employment sources in Connecticut.”(sec31-52(c)) Is this unreasonable to expect from a corporation receiving millions from Connecticut taxpayers?

Times change. So do the needs and economic realities of our state. However, the benefits of local construction being done by local taxpayers making area standard wages remains a continuing source of strength for the state of Connecticut, our municipalities, and the other hardworking, taxpaying residents that call Connecticut home. At a time when the economies and quality of life for communities across the state are being challenged, we urge you expand a source of economic stability and quality of life for our citizens, our communities and our state – the well paying jobs that **local** contractors provide to **local** residents. We urge you to require high paid CEO's and their corporations asking for state aid to be good citizens, not just use the state to enlarge their bottom line. We urge you to act favorably on HB 7319

Thank you.